

ORIGINAL
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In re Applications of)	MM DOCKET NO. <u>92-111</u>
DEAS COMMUNICATIONS, INC.)	File No. BPH-910208MB
HEALDSBURG BROADCASTING, INC.)	File No. BPH-910211MB
HEALDSBURG EMPIRE CORPORATION)	File No. BPH-910212MM
For Construction Permit for a)	
New FM Station on Channel 240A)	
in Healdsburg, California)	

RECEIVED

DEC 28 1992

To: Administrative Law Judge Edward J. Kuhlmann

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

JOINT REQUEST FOR APPROVAL OF AGREEMENT,
DISMISSAL OF APPLICATION AND
MERGER OF APPLICANTS

Deas Communications, Inc. ("Deas") and Healdsburg Broadcasting, Inc. ("HBI"), by their attorneys and pursuant to Section 73.3525 of the Commission's Rules, hereby request the Presiding Judge to approve the annexed Settlement and Merger Agreement (the "Agreement"), dismiss HBI's mutually exclusive application and permit the merger of HBI into Deas' ongoing application as a nonvoting, nonparticipating 50% shareholder.

In support whereof, the following is shown.

1. The annexed Agreement reflects, pertinently, that Deas and HBI have agreed to the settlement in order to limit as far as possible the time and cost of litigation and reduce the

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scope of future litigation. As such, the Agreement serves the public interest.¹

2. As further reflected in the Agreement, upon Commission approval of this Joint Request and the dismissal of HBI's application, HBI would become an insulated and uninvolved 50% nonvoting equity holder in Deas. HBI will be the only new Deas stockholder, all present Deas stockholders will remain as part of the applicant, and the current 20% equity interest and managerial commitment of Deas' President and sole voting stockholder Mario Edgar Deas will be unchanged.

3. The merger will be accomplished in the following manner. Within seven business days after the Agreement and this Joint Request are filed, HBI will deposit \$40,000.00 into an Escrow Account with HBI and Deas counsel acting as joint Escrow Agents. The \$40,000.00 figure represents the negotiated difference in expenditures to date by Deas and HBI in the preparation, filing and prosecution of their respective applications: since Deas' expenditures have exceeded HBI's by at least that amount, HBI has agreed to compensate Deas (the funds to be used for future litigation and related expenses) in

¹ Attempts have been ongoing to achieve a universal settlement of this case. To date, these attempts have proven unsuccessful.

order to equalize the parties' contributions to this point in time.²

4. Subsequently, as a 50% equity owner, HBI will be responsible for 50% of future costs and expenses, and the present Deas stockholders, voting and nonvoting, will be responsible pro rata for the other 50%. The Deas Articles of Incorporation, as previously exchanged and as annexed to Deas' Hearing Ex. 1 (and the simultaneously filed proposed Deas Ex. 1),³ will govern without amendment the treatment of dividends.

5. Within five business days after issuance of an order approving this Joint Request, the Agreement and HBI's dismissal, Deas will cancel all its existing Preferred,

² See the annexed Declaration of Mario Edgar Deas, who certifies that the parties exchanged and reviewed invoices, receipts and other such documents in determining their respective expenses. They agreed to the \$40,000.00 figure, which is less than the difference between the parties' expenditures as exchanged, after negotiation and in the spirit of compromise. While these underlying documents are apparently not required to be produced in bona fide merger situations; see Rule 73.3525(a)(3); Deas and HBI will provide them if the Presiding Judge or the Mass Media Bureau require. Mr. Deas certifies that Deas' expenses to date exceed HBI's by at least \$40,000.00. Moreover, this payment will be used solely for future corporate expenses in connection with this case and the station.

³ Among the other pleadings filed today is a Petition to Reopen the Record to receive the new Deas Ex. 1 and substitute it for the Deas Ex. 1 already received into evidence.

nonvoting stock.⁴ New nonvoting stock in the amount of 1,500 shares will be issued to each present nonvoting shareholder and 10,000 shares of nonvoting stock will be issued to HBI. Simultaneously, the aforementioned Escrow funds will be released to Deas to cover expenses from the time of the merger onwards. Deas will retain the same officers and directors post-merger as it currently has. There will be no change in its already-proposed management or control.

6. HBI certifies in the Agreement that it and its shareholders will be solely passive investors in Deas and will be uninvolved in any respect in the prosecution of the Deas application or the management or operations of the business. All decisions concerning the applicant or the station, if Deas' application is granted, will be made by Mario Edgar Deas, who will continue to be the President and sole voting shareholder of Deas, and who will remain as proposed full-time General Manager of Deas' station. Agreement: Sections 1.1, 2.2, 2.3, 2.4, 2.9, 4.2, 8.1; Declaration of Mario Edgar Deas. Also

⁴ As is reflected in both the existing and newly proposed Deas Hearing Ex. 1, a total of 20,000 shares of Deas' stock (in two classes: 4,000 voting, 16,000 Preferred, nonvoting) are issued and outstanding. These two stock classes and the aggregate amounts of issued and outstanding stock for each will be unchanged following merger. The 16,000 shares of nonvoting stock are now held, in equal 4,000 share amounts, by the sons of Mario Edgar Deas and (where applicable) their spouses. While Mr. Deas' children and spouses now own 80% of Deas' total corporate equity (20% each), this equity percentage will be reduced to 30% (1,500 nonvoting shares and 7.5% each) after the merger.

annexed hereto is a Declaration of HBI President Michael Akana, conforming with the requirements of Section 73.3525.

7. The Commission has determined, in its Memorandum Opinion and Order on Section 73.3525 of the Commission's Rules Regarding Settlement Agreements Among Applicants for Construction Permits, 6 FCC Rcd 2901, 2902 (1991), that "[a] bona fide merger of business entitles represents a consensual allocation of economic risks and rewards among the merging parties which presumably reflects the assets brought to the joint undertaking by the various participants." The Commission's desire not to impede these broader purposes and the benefits they might engender in more efficient service to the public has led it to exempt from bona fide mergers the settlement limitations otherwise applicable to the rule. Id. In any event, those limitations are nonexistent here.

8. In order to avoid abuses of its merger policies, the Commission, id., stated that it will consider mergers on a case-by-case basis along the following guidelines:

we will examine with a heightened level of scrutiny any merger proposal where the dismissing applicant receives cash, either up-front or on a deferred basis, and the payment is guaranteed regardless of the outcome of the business venture. We will accord similar scrutiny to any merger proposal that provides for cash or similar liquid asset payments to the dismissing applicant in excess of its out-of-pocket expenses. Finally, out of concern for the potential abuse of our processes that the merger exception may engender, we will be inclined to disallow merger settlements that present a close question.

9. None of these concerns exists here. HBI, the dismissing applicant, is not receiving cash or other payments as consideration for its participation; indeed, it is paying \$40,000.00 as consideration for future nonvoting ownership, which dollar amount represents the difference between its expenses to date and Deas'; and in return for its 50% equity stake, HBI is responsible for 50% of future costs (and, of course, entitled to 50% of future rewards). Further, HBI has agreed to a completely passive role. This good faith, arms-length merger "of economic risks and rewards" does not present the Presiding Judge or the Commission with a close question. 6 FCC Rcd at 2902.⁵

10. In all respects, the Agreement and other documents filed simultaneously constitute a bona fide merger whose end result should be the institution of quality broadcast service to Healdsburg at an earlier time. Approval of the Agreement comports with Section 73.3525 of the Rules and established Commission policy. Although it does not end the case, the Agreement removes a strong applicant from the comparative evaluation, thus easing the Commission's administrative burdens and serving the public interest.

⁵ The Declaration of Mario Edgar Deas includes a full explanation and justification for the exchange of consideration in this merger.

WHEREFORE, for these reasons, the Presiding Judge is requested to grant this Joint Request, approve the Agreement, dismiss HBI's application and permit the merger of HBI as a nonvoting stockholder in Deas' otherwise unaltered application.⁶

Respectfully submitted,
DEAS COMMUNICATIONS, INC.

By: 
Lawrence Bernstein

Its Attorney

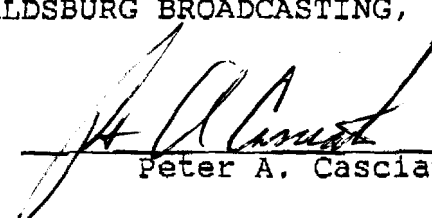
BRINIG & BERNSTEIN
1818 N Street, NW
Suite 200
Washington, D.C. 20036

⁶ Also filed today are the previously mentioned Petition to Reopen the Record, a new Deas Ex. 1, a Petition for Leave to Amend Deas' application and a Motion to Defer the filing of proposed findings until this Joint Request is acted upon.

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HEALDSBURG BROADCASTING, INC.

By:



Peter A. Casciato

Its Attorney

PETER A. CASCIATO, P.C.
1500 Sansome Street
Suite 201
San Francisco, California 94111

Attachments

December 24, 1992

SETTLEMENT AND MERGER AGREEMENT

This SETTLEMENT AND MERGER AGREEMENT ("Agreement") is made as of this 22 day of December 1992, by and between Deas Communications, Inc. ("Deas"), a California corporation, and Healdsburg Broadcasting, Inc. ("HBI"), a California corporation.

WHEREAS, Deas has an application pending before the Federal Communications Commission ("Commission" or "FCC") in MM Docket No. 92-111 requesting authority to construct an FM broadcast radio station on Channel 240A in Healdsburg, CA ("the Station") (File No. BPH-910208MB);

WHEREAS HBI has a competing application pending before the FCC for the same facilities (File No. BPH-910211MB);

WHEREAS, one other competing application for the same facilities filed by Healdsburg Empire Corporation (File No. BPH-910212MM) also is pending before the FCC in MM Docket No. 92-111 and the three mutually exclusive applicants have been designated for a comparative FCC hearing;

WHEREAS, Deas and HBI wish to merge HBI into Deas as a nonvoting shareholder and dismiss HBI's application to limit further costly proceedings before the Commission and the burden that such proceedings impose on the Commission's staff and resources;

WHEREAS, both Deas and HBI believe that this settlement and merger between two of the three competing applicants would be in the public interest because it would reduce the scope of the

proceeding and save time and resources;

NOW, THEREFORE, in consideration of the mutual obligations and the premises and covenants stated herein and subject to the terms and conditions set forth below, the parties hereto agree as follows:

SECTION 1
AGREEMENT TO DISMISS

1.1 Dismissal of HBI's Application. Subject to the receipt of FCC approval, HBI hereby agrees to dismiss its pending application with prejudice and merge into Deas' surviving application as a 50% nonvoting equity holder, having no material involvement in the operations or decision-making for the application or Deas' station, if its application is approved.

SECTION 2
FORM OF MERGER

2.1 Deas Existing Capital. As of the date of this Agreement, twenty thousand (20,000) shares of stock of Deas are subscribed for, issued or outstanding. Of those shares of Deas' stock, four thousand (4,000) shares constitute Common (voting) stock and sixteen thousand (16,000) shares constitute Preferred (nonvoting) stock.

2.2 Issuance of Class B Stock to HBI. Upon fulfillment of the conditions set forth in this Agreement, and subject to the payment of \$ 40,000.00 into an Escrow account mutually acceptable to HBI and Deas (jointly administered by Peter A. Casciato and Lawrence Bernstein as joint Escrow Agents) and within seven business days after the submission of this Agreement

to the FCC, Deas agrees to issue to HBI ten thousand (10,000) shares of Preferred (nonvoting) stock constituting 50% of the net outstanding aggregate shares of Deas. Simultaneous with the issuance of the nonvoting stock to HBI, Deas shall cancel the existing Preferred (nonvoting) stock held by each of its present Preferred shareholders and, in turn, issue each of those Preferred shareholders 1500 Preferred (nonvoting) shares.

Mario Edgar Deas will retain his four thousand (4,000) shares of Common (voting) stock in Deas, which shall constitute 20% of the equity of the corporation and 100% of the voting stock and control of Deas. Deas will retain the same officers and directors after the merger as it has prior thereto and Mario Edgar Deas will remain President of the corporation. After FCC approval and following consummation of the merger contemplated hereby, the ownership of Deas will be as follows:

Deas Communications, Inc.
Shareholdings

Mario Edgar Deas	4000 Common Shares (Voting)
Steven E. Deas & Jane Rosenberg Deas	1500 Preferred Shares (Nonvoting)
Bruce D. Deas & Suzel Bozada-Deas	1500 Preferred Shares (Nonvoting)
Paul A. Deas & Pamela Sue Deas	1500 Preferred Shares (Nonvoting)
Michael L. Deas	1500 Preferred Shares (Nonvoting)
Healdsburg Broadcasting, Inc.	10,000 Preferred Shares (Nonvoting)

All shares issued to the nonvoting shareholders shall be

considered fully paid for upon receipt by Deas of the escrowed funds. All funds deposited in the Escrow Account shall be used to cover any costs for continued prosecution of the Deas application after this Agreement is consummated on an as needed basis, or for the reasonable expenses incurred thereafter by Deas. Any further funds required by the corporation after exhaustion of the escrowed funds shall be paid by all shareholders of Deas as capital contributions in proportion to their net percentage of equity shareholdings, whether voting or nonvoting.

2.3 Future Contributions. Should the President of Deas determine in good faith and in his reasonable discretion, subject to acceptable business standards and based on prolonged litigation or other circumstances, that Deas requires additional funds, capital calls ("Additional Capital Calls") shall be issued on a pro rata basis in writing to all Deas shareholders. Such Additional Capital Calls shall specify the amounts and method of payment and a payment date, which shall be not less than thirty (30) days from issuance of each Additional Capital Call involved.

2.4 Contributions Secured. In the event that any nonvoting shareholder shall fail to meet any Additional Capital Call within two (2) business days from the date specified pursuant to Section 2.3 above, the equity distribution of Deas shall be recalculated and redistributed in accordance with the total paid-in capital or, at the option of the President, additional nonvoting shares may be issued to existing shareholders meeting the Additional

Capital Call in place of the nonperforming nonvoting shareholders and the equity distribution of Deas recalculated and redistributed in accordance with the new share issuance. Upon recalculation, each nonvoting shareholder shall own that percentage of equity in Deas as is determined by the ratio which its total capital contribution bears to the total contributions of all the nonvoting shareholders. Solely to secure such redistribution, each nonvoting shareholder hereby grants to Deas a continuing lien on its Shares in Deas as that its interest may from time to time be calculated or recalculated, as set forth previously.

In the event that the sole voting shareholder fails to meet any Additional Capital Call, and HBI elects to make the Additional Capital Call in his stead, HBI shall be entitled to receive additional nonvoting Deas stock in the aggregate of the number of shares constituting the stock value of the Additional Capital, plus 10 percent (10%) of additional Deas nonvoting stock; provided, however, that nothing in this paragraph or this Agreement shall be construed to entitle HBI to any Deas voting stock.

2.5 Nonvoting Share Transfer. Any nonvoting shareholder may assign or transfer its nonvoting shares to any other nonvoting shareholder. Mario Edgar Deas may not sell, assign or transfer his shares in Deas unless all shares of Deas are sold and assigned simultaneous therewith.

2.6 Endorsement on Stock Certificates. Upon the approval

of this Agreement by the FCC and the issuance of Deas shares to all Deas shareholders, the certificate(s) issued to each shareholder shall have the following legend:

The shares represented by this certificate are subject to and are transferable only in compliance with an Agreement, dated December __, 1992, between and among Deas Communications, Inc., and Healdsburg Broadcasting, Inc., a copy of which is on file at the offices of

_____. No transfer of any shares represented by this certificate shall be valid or enforceable unless made in accordance with the terms and conditions of such Agreement, and the rules of the Federal Communications Commission and the Communications Act of 1934, as amended.

2.7 No Dilution. Except for the shares issued as provided herein and except as provided in Section 2.4 hereinabove, with respect to the meeting of Additional Capital Calls, Deas shall not issue any further shares, or any stock dividend, stock warrant, or stock option, security, or the like convertible into stock or take any other action to dilute HBI's stock interest, without the prior written approval of shareholders owning at least two-thirds of all outstanding Deas stock.

2.8 Encumbrance of Shares. No shareholder may encumber its shares of Deas.

2.9 Dividends and Salary. The payment of dividends to Deas shareholders shall be governed by the Articles of Incorporation and By-Laws of Deas presently existing. The parties expressly understand and agree that Mario Edgar Deas shall be the full-time General Manager of Deas' station if its application is granted. As such, he shall be entitled to be paid a salary and employment benefits, as set by the Board of Directors based on diligent

review, commensurate with salaries and benefits customarily paid to General Managers of similar start-up FM radio stations in California radio broadcast markets of comparable size. Such salary and benefits shall not commence until the Station commences commercial operations. In addition, no other full or part time employees shall be hired by Deas until such time as the Station completes construction.

2.10 The President of Deas, or chief financial officer under his direction, shall furnish all shareholders written monthly financial statements accurately and completely setting forth the income and expenses of the corporation, each such statement being due on the 15th of the month for the previous month's financial operations.

SECTION 3 CLOSING

3.1 FCC Approval. Within five (5) days of the execution of this Agreement by the parties, the parties shall file this Agreement with the Commission, together with a request by HBI for the dismissal of its application and a Joint Request, pursuant to Section 73.3525 of the Commission's Rules, seeking Commission approval of this Agreement and including all supporting documentation required by Section 73.3525, as well as other appropriate pleadings and requests seeking FCC approval of all the actions necessary to effectuate the merger contemplated hereby. The consummation of this Agreement is subject to the prior receipt of an FCC Order approving the Agreement and dismissing HBI's application. Consummation of this Agreement

shall take place within five business days of the date of the FCC Order and on that date Deas shall deliver stock certificates to HBI evidencing its stock ownership in Deas consistent herewith, and joint Escrow Agents shall simultaneously release the funds referred to in Section 2.2, above, into an account designated by Deas, by Interbank Wire Transfer via the Federal Reserve system of same-day availability funds.

SECTION 4 OWNERSHIP OF DEAS PROPERTY

4.1 All real or personal property, including all improvements placed or located thereon, acquired by Deas shall be owned in undivided interests by Deas. Each shareholder hereby expressly waives the right to require partition of any Deas property or any part thereof.

4.2 Accounts. All funds of Deas shall be deposited in its name in an account or accounts maintained at a bank designated by the President consistent with sound business practices.

SECTION 5 INDEBTEDNESS OF DEAS AND HBI

5.1 Indebtedness of Deas. Deas agrees that all debts, legal fees or other obligations of Deas that have been incurred including and through the date of FCC approval of the Joint Request and this Agreement shall be the responsibility of Deas' shareholders of record as of the date of this Agreement, and shall be satisfied in full by the date of consummation of this Agreement.

5.2 Indebtedness of HBI. HBI agrees that all debts, legal

fees or other obligations that HBI has incurred including and through the date of FCC approval of the Joint Request and this Agreement shall be the responsibility of HBI and/or its shareholders existing as of the date of this Agreement, and shall be satisfied in full by the date of consummation of this Agreement.

SECTION 6
REPRESENTATIONS AND WARRANTIES OF HBI

6.1 Organization of HBI. HBI is a California corporation duly organized, validly existing, and in good standing under the laws of the State of California.

6.2 Authority of HBI. HBI has full right and power to enter into and to perform its obligations under this Agreement and has taken all requisite corporate action to authorize the execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by HBI and is binding upon, and enforceable against HBI in accordance with its respective terms.

6.3 Absence of Conflicting Agreements or Required Consents. Neither the execution, delivery, nor performance of this Agreement by HBI nor the consummation of the transactions contemplated herein, after the giving of notice, or the lapse of time, or otherwise, conflicts with, results in a breach or, or constitutes a default, or results in the creation or imposition of any security interest, lien or other encumbrance, upon any of HBI's assets or upon any HBI stock, nor under any Federal, state,

or local law, statute, ordinance, rule, or regulation, nor any court or administrative order or process, nor any note, instrument, contract, agreement, arrangement, mortgage, lease, license, franchise, permit, judgment, order, award, decree or other authorization, right, restriction, obligation, commitment, or plan to which HBI is a party or by which HBI or its assets are bound.

SECTION 7
REPRESENTATIONS AND WARRANTIES OF DEAS

7.1 Organization of Deas. Deas is a California corporation duly organized, validly existing, and in good standing under the laws of the state of California.

7.2 Authority of Deas. Deas has full right and power to enter into and to perform its obligations under this Agreement and has taken all requisite corporate action to authorize the execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Deas and is binding upon, and enforceable against Deas, and its shareholders, in accordance with its respective terms.

7.3 Absence of Conflicting Agreements or Required Consents. Neither the execution, delivery nor performance of this Agreement by Deas nor the consummation of the transactions contemplated herein, after the giving of notice, or the lapse of time, or otherwise, conflicts with, results in a breach of, or constitutes a default, or results in the creation or imposition of any security interest, lien or other encumbrance, upon any of Deas'

assets or upon any Deas stock, nor under Deas' Articles of Incorporation or Deas' By-Laws, nor any Federal, state or local law, statute, ordinance, rule, or regulation, nor any court or administrative order or process, nor any note, instrument, contract, agreement, arrangement, mortgage, lease, license, franchise, permit, judgment, order, award, decree or other authorization, right, restriction, obligation, commitment, or plan to which Deas is a party or by which Deas or its assets are bound.

SECTION 8
NO MATERIAL INVOLVEMENT OF HBI

8.1 HBI and its Shareholders as Passive Investors. It is expressly understood by the parties that HBI and its shareholders shall be passive investors in Deas and upon FCC Approval of this Agreement and consummation of the merger, shall be insulated from the management and operation of Deas and the Station, and they shall not be involved in any respect in the management or operation of its business, as specifically set forth in Deas' Articles of Incorporation. In no respect shall HBI or its shareholders:

(1) Own or hold title, whether legal or equitable, to any Common voting shares of the corporation;

(2) Act as an employee or agent of, or independent contractor or consultant to the corporation, if his/her function would directly or indirectly relate in any way to the corporation's media enterprise(s);

(3) Perform any services for the corporation which are or may in any way be related to the corporation's media enterprise activities; and

(4) Communicate with the corporation's media enterprise licensee, controlling principals or common voting shareholders with respect to any day to day operations of the corporation's media enterprise(s).

8.2 Cooperation. The parties hereto agree to cooperate with each other and with the Commission by expeditiously providing each other or the Commission, or both, with any additional information that may be reasonably required, by expeditiously filing any additional documents that may be necessary or appropriate in order to comply with Section 73.3525 or any other pertinent section of the Commission's Rules, or with any other applicable statutory or regulatory provision, or to effectuate the objectives of this Agreement, and by warranting that they will take no position inconsistent with the terms of this Agreement or with the prompt finality of approval thereof.

8.3 Resolution of Objections. Should the Commission decline to approve any provision of this Agreement, the parties agree to proceed in good faith to resolve any Commission objections so as to secure approval of an agreement that most nearly reflects the original intentions of the parties as reflected herein.

8.4 Expenses. HBI and Deas agree that each shall be responsible for and shall pay all of their respective legal fees and out-of-pocket expenses incurred in connection with the prosecution of their respective applications up to and through the closing of the Agreement, including but not limited to costs incurred in connection with this Agreement and settlement efforts.

8.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties' legal representatives, heirs, executors, administrators, successors and permitted assigns.

8.6 Notices. Any notices or communications required or desired to be given under this Agreement shall be deemed given if in writing, and personally delivered or forty-eight (48) hours after mailing the same by certified or registered mail to the other parties to this Agreement at the addresses hereafter set forth, or to such other addresses as the respective party hereto shall designate in writing to the other parties. The addresses to which notices shall be given, unless notice is otherwise given to use a different address, as follows:

If to Deas:

Mario Edgar Deas, President
Deas Communications, Inc.
126 Mill Street
Healdsburg, CA 95448

with a copy to:

Lawrence Bernstein
Brinig & Bernstein
1818 N Street, NW, Suite 200
Washington, DC 20036

If to HBI:

Michael Akana, President
Julia Akana, Secretary
Healdsburg Broadcasting, Inc.
5307 Camino Alta Mira
Castro Valley, CA 94546

with a copy to:

Peter A. Casciato, P.C.
1500 Sansome Street, Suite 201
San Francisco, CA 94111

8.7 Waiver. No waiver of any provision, term or condition of this Agreement by either party shall operate or be construed as a further or continuing waiver by said party of such term or provision or any other term. Such waiver must be in writing. All remedies, rights, undertakings, obligations and agreements contained in this Agreement and accompanying exhibits which are incorporated by reference herein shall be cumulative and none of them shall be in limitation of any other remedy, right undertaking, obligation or agreement of either party.

8.8 Assignment. Except as set forth in section 2.5 hereof, no shareholder may assign to any person any of its rights or obligations under this Agreement without the express written consent of all other shareholder(s).

8.9 Entire Agreement. This Agreement represents the entire understanding and agreement of the parties with respect to the subject matter hereof, and supersedes all prior representations and negotiations between the parties. This Agreement includes all representations of every kind and nature made by each party to the other with respect to the subject matter hereof. The Agreement may not be modified, altered, amended, rescinded, or terminated except by a written and acknowledged instrument executed by both parties. The parties stipulate that neither of them has made any representation with respect to the subject matter of this Agreement, the accompanying exhibits, or any representations including the execution and delivery hereof except such representations as are specifically set forth herein,

and each of the parties hereto acknowledges that it has relied on its own judgment and consulted its counsel in entering into this Agreement and the accompanying exhibits, and any other documents executed concurrently herewith.

8.10 Performance. In the event of default on the part of any party to this Agreement, any party/shareholder not in default shall have the right, in addition to any other remedies which may be available under California law to obtain specific performance of the terms of this Agreement. Should any party/shareholder default in the performance of any of the terms and conditions of this Agreement which results in the filing of a lawsuit for damages, specific performance, or other remedy by any party/shareholder not in default, the prevailing party in such lawsuit shall be entitled to reasonable attorneys' fees, at trial and on appeal, as shall be determined by the court.

8.11 Headings. All sections, titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement.

8.12 Governing Law. The laws of the State of California shall govern the validity, construction, performance, and effect of this Agreement.

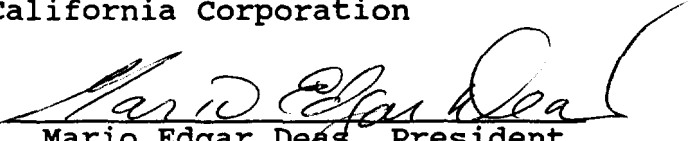
8.13 Counterparts. The parties agree that this Agreement may be signed in counterparts, each of which shall be an original for all purposes, but all of which taken together, so executed,

shall constitute one and the same instrument.

DEAS COMMUNICATIONS, INC.,
a California Corporation

Dated: December 22 , 1992

BY:


Mario Edgar Deas, President

HEALDSBURG BROADCASTING, INC.,
a California Corporation

Dated: December , 1992

BY:

Michael Akana, President

shall constitute one and the same instrument.

DEAS COMMUNICATIONS, INC.,
a California Corporation

Dated: December , 1992

BY: _____
Mario Edgar Deas, President

HEALDSBURG BROADCASTING, INC.,
a California Corporation

Dated: December 22, 1992

BY: _____
Michael Akana, President